

## Message Text

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17

ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 SAM-01 NSC-10

SS-20 STR-08 CEA-02 DRC-01 /158 W

----- 026381

R 250625Z FEB 74

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 2634

INFO AMEMBASSY BANGKOK

AMEMBASSY MANILA

USMISSION OECD PARIS

AMEMBASSY WELLINGTON

LIMITED OFFICIAL USE CANBERRA 1115

E.O. 11652: N/A

TAGS: EGEN, EFIN, ETRD, AS

SUBJ: ASSISTANT SECRETARY INGERSOLL'S

CONVERSATIONS WITH GOA TREASURY

AND DEPARTMENT OF OVERSEAS TRADE

REF: CANBERRA A-017, JANUARY 30

1. DURING HIS FEB 19/20 CANBERRA VISIT, ASSISTANT SECRETARY INGERSOLL MADE BRIEF CALLS ON SIR FREDERICK WHEELER, PERMANENT HEAD AUSTRALIAN TREASURY, AND JAMES SCULLY, DEPUTY SECRETARY, DEPARTMENT OF OVERSEAS TRADE.

2. DISCUSSION WITH SIR FREDERICK WAS USEFUL OPPORTUNITY TO EXCHANGE VIEWS ON INFLATION PROBLEM AND PROSPECTS. IN COURSE OF DISCUSSION SIR FREDERICK INDICATED PERSONAL JUDGMENT THAT WHILE GOA ANTI-INFLATION MEASURES WERE LIMITED OFFICIAL USE

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BEGINNING TO HAVE EFFECT, UNDERLYING STRENGTH OF

INFLATIONARY FORCES SO GREAT THAT HE COULD NOT CONFIDENTLY  
PREDICT DRAMTIC REDUCTION OF CURRENT 14 PERCENT ANNUAL  
INFLATION RATE DURING BALANCE CY 1974.

3. IN RESPONSE TO ASSISTANT SECRETARY'S INQUIRIES  
ON OUTLOOK FOR FOREIGN INVESTMENT, SIR FREDERICK,  
WHILE DOUBTING THAT CURRENT MEASURES SHARPLY RESTRICTING  
CAPITAL INFLOW WOULD BE RELAXED IN NEAR FUTURE,  
VOLUNTEERED PERSONAL VIEW THAT FOR THE LONG RUN  
AUSTRALIA WOULD CONTINUE TO BE CAPITAL IMPORTING NATION.  
PERMANENT CHANGE IN AUSTRALIAN BALANCE OF PAYMENTS  
POSITION RESULTING MOSTLY FROM MINERALS DEVELOPMENT IN  
1960'S HAS SIGNIFICANTLY REDUCED BUT NO MEANS  
ELIMINATED HISTORIC AUSTRALIAN DEPENDENCE ON INVESTMENT  
INFLOU.

4. DISCUSSION WITH SCULLY REVIEWED PROGRAM OF IMPORT  
LIBERALIZATION MEASURES UNDERTAKEN DURING PAST YEAR BY  
GOVERNMENT, INCLUDING NEW LDC PREFERENCE SCHEDME EFFECTIVE  
JAN 1, 1974.

5. MAIN POINT OF INTERST EMERGING FROM SCULLY DISCUSSION  
AROSE INCIDENT TO HIS DESCRIPTION OF TALKS WITH SOUTHEAST  
ASIAN GOVERNMENTS CONCERNING NEW AUSTRALIAN INVESTMENT  
POLICY (REFAIRL IN COURSE OF WHITLAM'S RECENT TOUR. IN  
PASSING SCULLY ALLUDED TO COMMENTS MADE BY PHILIPPINE AND  
THAILAND HOSTS EXPRESSING GRATIFICATION OVER AUSTRALIAN  
AMENABIILITY TO LOCAL INVESTMENT PRIORITIES, RESERVATION  
OF PARTICULAR SECTORS FOR LOCAL INVESTORS AND WILLINGNESS  
TO ACCEPT MFN RATHER THAN NATIONAL TREATMENT, AS COMPARED  
TO PAST U.S. DESIRE FOR NATIONAL TREATMENT AND RELATIVELY  
UNRESTRICTED ENTRY. SCULLY WISHED TO CONVEY FLAVOR OF  
THESE CONVERSTAIONTS TO USG FOR OUR INFORMATION, WHILE  
EMPHASIZING THAT HE SEES LITTLE PARALLEL BETWEEN  
AUSTRALIAN AND U.S. INVESTOR ROLES AND IMPLIED NO  
JUDGMENTS IN PASSING INFORMATION ON.

6. ASSISTANT SECRETARY , COMMENTING ON REPORTED ALLUSIONS  
TO U.S. INVESTMENT POLICY, POINTED OUT SPECIAL HISTORY  
OF U.S. ECONOMIC ROLE IN PHILIPPINES UNDER LAUREL LANGLEY  
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AND PREDECESSOR TRADE AGREEMENTS.  
GREEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INFLATION, FOREIGN INVESTMENTS, FOREIGN TRADE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974CANBER01115  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** CANBERRA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1974/newtext/t19740212/aaaaakxy.tel  
**Line Count:** 109  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** CANBERRA A-017, JANUARY 30  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 APR 2002 by elyme>; APPROVED <10 JUN 2002 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ASSISTANT SECRETARY INGERSOLL'S CONVERSATIONS WITH GOA TREASURY  
**TAGS:** EGEN, EFIN, ETRD, AS  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005